

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

LEHMAN BROTHERS HOLDINGS INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 08-13555 (JMP)

(Jointly Administered)

SUMTOTAL SYSTEMS, INC.'S OBJECTION TO DEBTORS' PROPOSED CURE AMOUNT

SumTotal Systems, Inc. (hereinafter, "SumTotal"), hereby objects to the proposed cure amount in connection with the assumption and assignment of its executory contract pursuant to that Order Under 11 U.S.C. §§ 105(a), 363, And 365 And Federal Rules of Bankruptcy Procedure 2002, 6004 And 6006 Authorizing And Approving (A) The Sale of Purchased Assets Free and Clear Of Liens And Other Interests And (B) Assumption And Assignment Of Executory Contracts And Unexpired Leases, entered herein on September 20, 2008 (the "Sale Order"), as well as that Order Approving, And Incorporating By Reference For The Purposes Of This Proceeding, An Order Authorizing The Sale Of Purchased Assets And Other Relief In The Lehman Brothers Holdings, Inc. Chapter 11 Proceeding, entered on September 20, 2008 in the Securities Investor Protection Corporation v. Lehman Brothers, Inc. action pending as Adv. Pro. No. 08-1420 (the "SIPA Adversary Proceeding") herein.² In support of its objection, SumTotal represents as follows:

1. SumTotal and Lehman Brothers, Inc., are parties to that certain Software License, Services and Support Agreement dated December 31, 2004, as amended thereafter. A true and correct copy of this executory contract, together with all amendments thereto and all statements of work and unpaid invoices evidencing the amounts owed thereunder, are attached

¹ The debtors-in-possession herein are Lehman Brothers Holdings, Inc. and LB 745 LLC.

² SumTotal is a party to an executory contract with Leyman Brothers, Inc. ("LBI"), which is the debtor in a parallel proceeding under the Securities Investors Protection Act of 1970 ("SIPA"), pending as the SIPA Adversary Proceeding. Pursuant to the Sale Order, the sale of certain assets of LBI, presumably including the assumption and assignment of SumTotal's executory contract with LBI, is being handled through this bankruptcy proceeding. Accordingly, and pursuant to the Sale Order, SumTotal is filing this objection in this proceeding and, if required, SumTotal requests that this objection be incorporated by reference into the SIPA Adversary Proceeding.

collectively hereto as Exhibit A (collectively, the "Agreement").

2. According to the website referred to in the Sale Order, the Debtors erroneously allege that the cure amount owed to SumTotal is \$0.00. However, as evidenced by the attached documentation, SumTotal is owed a total of **\$429,082.50** under the Agreement. Pursuant to 11 U.S. C. § 365(b)(1), in order for an executory contract to be assumed, any defaults under the contract must be cured, or adequate assurance must be provided that the defaults promptly will be cured. The **\$429,082.50** amount that is owed to SumTotal under the Agreement constitutes a default and, accordingly, such default must be cured by payment of that amount to SumTotal before the Agreement may be assumed and assigned pursuant to the Sale Order.

WHEREFORE, SumTotal respectfully requests that this Court enter an order directing payment to SumTotal of its full cure amount of **\$429,082.50** in connection with the assumption and assignment of the Agreement, and granting SumTotal such other and further relief as is just and proper.

Dated: October 1, 2008

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